



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Direct the City Manager to prepare and send a letter to the San Joaquin County Council of Governments on the draft methodology for the Regional Housing Needs Allocation process.

MEETING DATE: March 19, 2008

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Direct the City Manager to prepare and send a letter to the San Joaquin County Council of Governments on the draft methodology for the Regional Housing Needs Allocation process.

BACKGROUND INFORMATION: The City Council held a Shirtsleeve meeting on March 4, 2008 and received a report on the San Joaquin County Council of Governments (SJCOG) Regional Housing Needs Allocation (RHNA) process. There was significant discussion concerning the process and the draft methodology used by the SJCOG to distribute the housing need allocations to jurisdictions. It was noted that the draft methodology public comment period is from February 1, 2008 through April 9, 2008.

City Council members indicated a desire to make comments on the draft methodology. Items of concern included placing a greater emphasis on existing households and household growth, more than the 50% proposed in the draft methodology. Another concern was to get more accurate data on the existing and projected jobs per jurisdiction.

RECOMMENDED COMMENTS:

Comments to be included in the letter to SJCOG on the RHNA methodology include the following:

A. Existing Households and Household Projections per jurisdiction:

It is recommended that instead of a **50%** weighting of household factors, a **65%** weighting be provided. Existing and projected household data is readily available and reasonably accurate. Further, housing projections represent the most accurate potential for new housing and the most feasible opportunity to provide housing needs.

B. Jobs and Job Projections per jurisdiction:

With an increase in the weighting of the household factors to **65%**, the job factor should be reduced to 35%. Job data is very difficult to obtain on a jurisdiction level, for both existing and projected conditions. The methodology weighting should recognize this data limitation by de-emphasizing its weight.

C. Source of Job Data:

Seek a source of the job data other than from the Regional Transportation Plan. The current source of the job data per jurisdiction is from the Regional Transportation Plan. The job data in this Plan was

APPROVED:

A handwritten signature in black ink, appearing to read "Blair King".

Blair King, City Manager

estimated for the purpose of determining current transportation needs and future demands. This purpose has the tendency to over-project jobs for economic development and infrastructure needs. This purpose is incompatible with the RHNA purpose of seeking to achieve some measure of job – housing balance. A source of jobs by jurisdiction that is based on actual jobs and is statistically focused on these actual jobs and projected job growth is needed.

D. Other Comments:

The Council may wish to articulate other comments regarding the draft methodology that they wish to express to SJCOG.

If SJCOG were to accept the proposed methodology it would result in a more balanced approach and reduce Lodi's allocation of 4,830 housing units. However, only SJCOG is capable of running the allocation formula and Lodi's exact allocation is unknown under the proposed formula. Also, the revised methodology does not address the allocation of Very Low and Low housing units.

FISCAL IMPACT: No direct impact associated with methodological changes to the RHNA process.

FUNDING AVAILABLE: N/A


FOR Randy Hatch
Community Development Director

Attachments

Proposed

Year 2007 - 2014 RHNA by Income Category

	Very Low	Low	Moderate	Above Moderate	TOTALS	Percentage	Difference from Previous Allocation
Escalon	107	68	84	220	480	1%	0%
Lathrop	172	130	177	463	941	2%	0%
Lodi	1,184	794	889	1,963	4,830	13%	2%
Manteca	648	484	628	1,390	3,150	8%	-1%
Ripon	120	86	111	320	638	2%	-1%
Stockton	3,946	2,376	2,643	5,582	14,547	38%	-8%
Tracy	931	650	851	2,693	5,126	13%	-3%
SJ County	2,038	1,359	1,590	3,521	8,509	22%	11%
Total	9,146	5,947	6,974	16,152	38,220	100%	

Regional Housing Needs Assessment RHNA

Presented by
the Community Development Dept.
March 19, 2008

Follow Up to Shirtsleeve Presentation

- March 4, 2008 - SJCOG Presentation.
 - Overview of Purpose and Process.
 - State-mandate (unfunded) that requires a region's Council of Government (COG) to develop a methodology to determine the number of housing units a jurisdiction must zone for in their General Plan's Housing Element.
 - The RHNA Plan must divide each jurisdiction's allocation into four (4) income categories of housing affordability (Very Low, Low, Moderate, Above Moderate)
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Purpose & Process (cont.)

■ Statutory Objectives

- ❑ Increase the housing supply and mix of housing types, tenure, and affordability in all jurisdictions.
 - ❑ Promote infill development and socioeconomic equity, protection of environmental and agricultural resources, and encourage efficient development patterns.
 - ❑ Promote and improve the intraregional relationship between jobs and housing
 - ❑ Balance disproportionate household income distributions (Based on the most recent census data)
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Purpose & Process (cont.)

■ RHNA Development Committee

- ❑ RHNA Development Committee was established consisting of Community Development Directors and/or their designee from each jurisdiction.
 - ❑ Been meeting since November 2007.
 - ❑ Unanimous agreement on the current DRAFT RHNA Methodology out for 60 day review.
 - ❑ San Joaquin County has challenged the DRAFT Methodology regarding the accuracy of the “Jobs” data set from the Regional Transportation Plan used in the methodology.
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Purpose & Process (cont.)

■ RHNA Process Controversial

- ❑ State's involvement in local land use endeavors.
 - ❑ Plans for affordable housing when it is not necessarily desired.
 - ❑ Housing targets tend to contradict local land use policy objectives and constraints.
 - ❑ Misperception that RHNA targets must be built as opposed to "Plan For".
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Purpose & Process (cont.)

■ RHNA is...

- Projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the housing element's statutory period.

■ **RHNA is not...**

- Prediction of additional housing units or building permit activity.
- Quota of housing that must be produced.
- Limitation due to existing land use capacity or growth control.

Purpose & Process (cont.)

■ Mandated Schedule

- Regional allocation by income category for SJC.
08/31/2007
- Preparation of Methodology
09/2007 ~ 01/2008
- Review of Methodology
01/2008 ~ 04/2008
- Develop Draft RHNA Plan
04/2008 ~ 07/2008
- Appeals Process (60 Days)
04/2008 ~ 07/2008
- Preparation/Adoption of final RHNA Plan by SJCOG Board
07/2008 ~ 08/2008
- Update of General Plan Housing Element by each jurisdiction.
08/31/2009

Purpose & Process (cont.)

■ San Joaquin County RHNA

- From State Housing & Community Development
- Calendar Year January 2007 ~ June 30, 2014

■ Income Category	Housing Unit Need	Percent
□ Very Low	9,314	24%
□ Low	6,032	16%
□ Moderate:	6,972	18%
□ Above Moderate:	<u>15,902</u>	<u>42%</u>
■ TOTAL	38,220	100%

Purpose & Process (cont.)

■ RHNA Draft Methodology

- Uses household growth projections from DOF specific to each jurisdiction.
- Uses “Job” growth projections specific to each jurisdiction.
- Takes individual household and jobs growth compared to the regional growth to arrive at a % within each category.
- A jobs / housing formula with equal weights is applied to the individual jurisdiction’s job and household growth to arrive at the housing target.
- This target is then applied to the census-derived income categories for the individual jurisdiction.

Purpose & Process (cont.)

■ Other RHNA Factors

- ❑ SJCOCG will conduct an inventory to document resources and constraints, including, but not limited to, the following:
 - Household characteristics.
 - Jobs and housing relationship.
 - Opportunities and constraints to development of additional housing.
 - Preservation of agricultural land in the unincorporated area.
 - Housing for persons with special needs.
 - Transition of existing housing from low-income to another Income categories.
 - Identify funding resources to foster and preserve lower income households.
 - Housing needs for farm workers.
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Purpose & Process (cont.)

■ Incentives For Housing Element Compliance

- Qualify for funding under the following programs:
 - Building Equity & Growth in Neighborhoods (BEGIN)
 - Home Investments Partnerships (HOME) Program (Federal)
 - Community Development Block Grant (CDBG)
 - Planning & Technical Assistance
 - Infill Incentive Grant (IIG)
 - Workforce Housing Reward
 - California Debt Limit Allocation Committee of State Treasurer's Office Single Family Home Program
 - California Infrastructure & Economic Development Bank (I-Bank) Infrastructure State Revolving Fund (ISRF)
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RHNA Draft Methodology

Year 2007 - 2014 RHNA by Income Category							
	Very Low	Low	Moderate	Above Moderate	TOTALS	Percentage	Difference from Previous Allocation
Escalon	107	68	84	220	480	1%	0%
Lathrop	172	130	177	463	941	2%	0%
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Tracy	931	650	851	2,693	5,126	13%	-3%
SJ County	2,038	1,359	1,590	3,521	8,509	22%	11%
Total	9,146	5,947	6,974	16,152	38,220	100%	
Year 2001 - 2008 RHNA by Income Category							
	Very Low	Low	Moderate	Above Moderate	TOTALS	Percentage	
Escalon	109	78	84	219	491	1%	
Lathrop	188	158	189	494	1,029	3%	
Lodi	990	664	738	1,622	4,014	10%	
Manteca	785	651	745	1,643	3,823	10%	
Ripon	228	181	206	593	1,208	3%	
Stockton	4,934	2,972	3,277	6,897	18,081	46%	
Tracy	1,178	914	1,054	3,323	6,469	16%	
SJ County	1,085	714	829	1,828	4,456	11%	
Total	9,497	6,332	7,122	16,619	39,571	100%	

PRELIMINARY 2007~2014 RHNA DRAFT METHODOLOGY

CITY OF LODI

Households 2014		Households 2007	=	Household Growth		Regional Household Growth		Share of Household Growth		
26,419	-	22,507	=	3,912		37,389		10.46%		
Jobs 2014		Jobs 2007	=	Job Growth		Regional Job Growth		Share of Job Growth		
27,059	-	24,249	=	2,810		18,975		14.81%		
Share of Job Growth		Weight Factor		Share of Household Growth		Weight Factor		HCD Regional Need		Total Projected Need
14.81%	x	0.5	+	10.46%	x	0.5	x	38,220	=	4,829

Household Income Distribution

Income Category		2000 Household Median Income Percentage Jurisdiction		2000 Household Median Income Percentage Region		2001 Household Median Income Percentage Jurisdiction				Housing Unit Allocation by Category
Very Low		24.70%		24.32%		24.51%				1184
Low		17.17%		15.71%		16.44%				794
Moderate		18.52%		18.31%		18.42%				889
Above Moderate		39.62%		41.66%		40.64%				1,963
TOTAL		100%		100%		100%				4,830

Next Steps in Process

- The RHNA Development Committee will meet in April 2008 to:
 - Review and discuss comments received by SJCOG on DRAFT Methodology.
 - Review and discuss results of new “Job” data set based on EDD data.
 - Recommend adjustments to draft methodology and assess overall impact.
 - Adjustments in job data already made.
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In Response to Comments

- SJCOG has already made adjustments to draft methodology.
 - Has taken action to develop a new "jobs" data set.
 - SJCOG, in conjunction with the UOP Forecasting Center is working with data by zip code acquired from the State Employment Development Department.
 - A preliminary new jobs data set has been established and will be used to develop individualized jobs/housing weights as part of the RHNA methodology.
 - Should result in more balanced assessments.
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Final Comments & Recommendations

- Document comments and concerns to SJCOG.
 - Existing Households and Household Projections
 - Place greater emphasis on existing households and household growth. Most accurate potential for new housing and most feasible opportunity to provide housing needs.
 - Decrease emphasis on job factor.
 - Job data difficult to obtain and the methodology weighting should reflect this limitation.
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Final Comments & Recommendations

- Document comments and concerns to SJCOG.
 - Seek a better source of job data.
 - Current source, Regional Transportation Plan, has tendency to over-project for economic development and infrastructure needs.
 - Articulate any other comments regarding the draft methodology.
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